



NEW YORK  
REGIONAL OFFICE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400  
NEW YORK, NY 10281-1022

January 27, 2021

**Via ECF**

Hon. Kenneth M. Karas  
United States District Court  
United States Courthouse  
300 Quarropas Street, Chambers 533  
White Plains, New York 10601-4150

Re: *U.S. Securities and Exchange Commission v. Bronson et al.*,  
12-CV-6421 (KMK)

Dear Judge Karas:

Plaintiff Securities and Exchange Commission (the "Commission") respectfully writes to update the Court. On January 19, 2021, the Court held Defendant Edward Bronson ("Defendant") in contempt and ordered him to "make a good-faith payment of \$25,000 to the SEC no later than one week from entry of this order." DE 223. The Order cautioned the Defendant that "[a]lthough the Court declines, for now, to order Bronson incarcerated, the Court will revisit this decision if Bronson violates *any* provisions of this Order and Mr. Bronson should not presume he will avoid prison should there be any future violations."

A week and a day after entry of the Order, the Commission has not received Defendant's payment. This morning, I emailed Defendant's counsel, Paul Rachmuth, to ask if Defendant could provide proof that payment had been remitted but received no response. I then called and spoke to counsel at approximately 11:25am. During our call, Mr. Rachmuth informed me that he had inquired and was waiting to hear from his client. At approximately 2:10pm, Mr. Rachmuth advised that Defendant intends to pay on Monday or sooner and is gathering documents to produce to the Commission. Mr. Rachmuth asked me to agree to extend the due date for payment. I advised Mr. Rachmuth that I could not agree to change the Court's Order.

Commission counsel has no confidence that Defendant will in fact make the payment by Monday or at all. Indeed, Commission counsel initiated the request for proof of payment – after the due date had passed. Even so, the Commission respectfully defers to the Court concerning whether and what further coercive sanctions should be imposed until the Defendant demonstrates compliance with the Court-ordered payment. The Commission respectfully requests that the Defendant be required to file proof of any payment on ECF.

Respectfully submitted,  
s/Maureen Peyton King